



الجزيرة تكافل
AL JAZIRA TAKAFUL

Corporate Governance (CG) Manual

The Corporate Governance Manual has been issued in both Arabic and English. In case of discrepancy, the Arabic text shall prevail.

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1.3. Review, Update & Maintenance:

1. The Authority to amend this Manual rests with the Board of Directors;
2. Any amendment to this document shall be as per procedure set out in the DoA, relevant Rules and Regulations.
3. This Manual shall be reviewed in annual basis and reported directly to the Board of Director for any updates required for a final reviews and approvals. Related Governance personnel is responsible for ensuring that this document is reviewed & approved as per the DoA relevant Rules and Regulations.
4. This Manual shall be an integral part of the induction program provided to the new Board and Board Committee members upon their appointment. It is the duty of the new member to understand and familiarize himself with this Manual.

1.4. Implementing and disclosure:

Al Jazira Takaful Taawuni Company (also referred to as the “Company”) is committed to this policy, which will be implemented starting from the date of its approval by the General Assembly, and must be duly disclosed to the concerned parties in accordance with the disclosure requirements issued by the relevant regulatory authorities.

1.5. Purpose of the Manual

The purpose of this Manual is to set company guidelines that ensure adherence to sound governance rules and practices and that the company applies the provisions contained in the Corporate Governance Regulations issued by the Capital Market Authority and its Implementation Regulations and the Insurance Companies Governance Regulations issued by the Insurance Authority.

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Introduction:

Governance is a system of rules whereby the Company is managed and controlled. It also links and regulates relationships between the Board of Directors, Shareholders and other Stakeholders.

In general, corporate governance aims at identifying responsibilities and powers, promoting principles of disclosure and transparency, limiting conflicts of interest as well as ensuring the protection of Shareholders' rights.

These rules reflect that Al-Jazira Takaful Taawuni Company is committed to comply with the best possible practices in governance field and its rules. This policy has been developed according to the relevant regulations and rules issued by the Insurance authority (IA) IA, the Capital Market Authority (CMA), the Ministry of Commerce and Investment (MOCI) and other competent authorities.

This policy is issued after approval by the General Assembly. The Board shall review this policy at least on an annual basis and recommend to the Assembly any suggestion to amend it. Then, a copy shall be provided to IA within (21) working days from the date of approval of the amendment. The Company shall publish the policy on the Company's website.

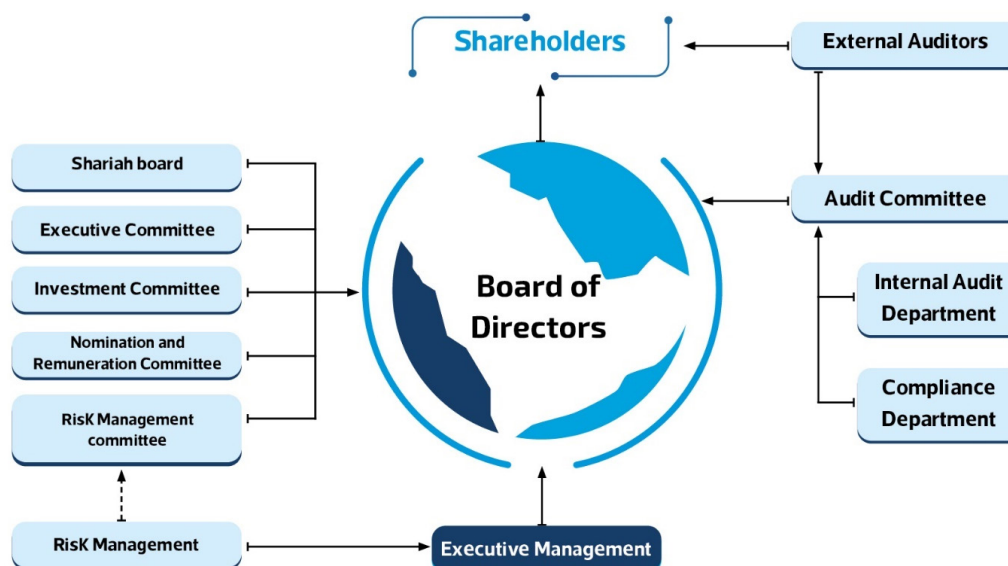
Article (1) Definitions:

Wherever used in this Manual, the following terms shall have the following meanings:

- . CMA: The Capital Market Authority
- . The Exchange: The Saudi Stock Exchange.
- . IA: The Insurance Authority
- . Corporate Governance: rules to lead and guide the Company that includes mechanisms to regulate the various relationships between the Board, Executive Directors, shareholders and Stakeholders, by establishing rules and procedures to facilitate the decision-making process and add transparency and credibility to it with the objective of protecting the rights of shareholders and Stakeholders and achieving fairness, competitiveness and transparency on the Exchange and the business environment.
- . Company: Al-Jazira Takaful Taawuni Company
- . Board of Directors: The Board of Directors of Al-Jazira Takaful Taawuni Company
- . Chairman: A non-executive Board Member elected by the Board to chair its meetings and regulate its business.
- . Executive Management or Senior Executive: persons responsible for managing the daily operations of the Company, and proposing and executing strategic decisions, such as the Chief Executive Officer (CEO) and his/her delegates and the Chief Financial Officer (CFO), and holders of any other positions determined by IA.
- . Senior Positions: include board membership and senior management.

- . Substantial Shareholders: any person who owns (5%) or more of the shares of the Company or voting rights therein.
- . Related Parties:
 1. affiliates of the Company except for wholly-owned companies;
 2. substantial shareholders of the Company;
 3. directors and senior executives of the Company;
 4. directors of affiliates of the Company;
 5. directors and senior executives of substantial shareholders of the Company;
 6. any relatives of persons described at (1), (2), (3) or (5) above;
 7. any company controlled by any person described at (1), (2), (3), (5) or (6) above.
 8. For the purposes of paragraph (6) of this definition, the term “relatives” shall mean a parent, spouse, and children.
- . Relatives:
 - A. Fathers, mothers, grandfathers and grandmothers (and their ancestors).
 - B. Children and grandchildren and their descendants.
 - C. Siblings, maternal and paternal half-siblings.
 - D. Husbands and wives.
- . Executive Director: a member of the Board who is a full-time member of the executive management team of the Company and participates in its daily activities.
- . Non-Executive Director: a member of the Board who is not a full-time member of the management team of the Company and does not participate in its daily activities.
- . Independent Director: a non-executive member of the Board who enjoys complete independence in his/her position and decisions and none of the independence affecting issues stipulated in Article (19) of CMA-Corporate Governance Regulations or in the definitions stated in IA Corporate Governance Regulation for insurance Companies.
- . Shareholders Assembly: An assembly consisting of the shareholders in the Company formed in accordance with the provisions of the Companies Law and the Company’s bylaws.
- . Stakeholders: persons or parties having interest in the business of the Company, including Shareholders, insured, claimants, employees, reinsurers and suppliers, customers, creditors, and regulators.
- . Person: any natural or legal person that is recognized as such under the laws of the Kingdom.

Article (2) Corporate Governance Structure:



Article (3) Company's Standards of Governance:

Governance is an integral part of the basic values at the Company, and it affects how we manage our Company and our relationship with Stakeholders.

We believe that applying the highest standards of governance is essential to the integrity of our business, performance and sustainable growth.

The rules of governance shall also include the development of work regulations and the policies of the Company Committees of the Board of Directors, namely:

- 1- Executive Committee
- 2- Investment Committee (IC)
- 3- Board Risk Management Committee (BRC)
- 4- Shariah Committee
- 5- Audit Committee
- 6- Nomination & Remuneration Committee (NRC)

In addition, the Rules of Corporate Governance Rules shall include the Company's bylaws, Code of Conduct Policy, Conflict of Interest Policy, Criteria and Procedures of Board Members Appointment Policy, Social Responsibility Policy and Remuneration and Compensation Policy for Board, Board Committees and Senior Executives, and Mechanism for reporting illegal or unethical behavior (Whistleblowing Policy) and other policies.

The Company shall review Remuneration Policy at least once annually; the Company shall notify IA with any updates occurs to the policy within (21) working days once it has been approved by the Board of Directors.

Furthermore, the Company shall provide IA with its Organizational Chart after it being approved by Company's Management, also, the Company shall notify IA with any updates occurs to the chart within (21) working days from the amendment date.

Part (1): Company Management

Chapter (1): The Board of Directors and Committee of Al Jazira Takaful Taawuni Company

The company's Board of Directors consists of those elected by the Ordinary General Assembly for a period of three years, and they may be re-elected unless the bylaws stipulate otherwise. The composition of the Board of Directors must reflect an appropriate representation of independent members. In all cases, the number of independent council members may not be less than two or one-third of the council members, whichever is more.

The Board of Directors of the Company shall apply and implement the highest standards of corporate governance at the Company, especially in dealing with Shareholders.

The Board of Directors shall assume the final responsibility for the Company's performance, conduct and compliance.

Delegation of powers to the Board Committees or the senior management shall not exempt the Board from its responsibility. The Board shall also be responsible for the performance of the other parties contracted with to perform certain duties or manage specific functions.

The Board of Directors shall be formed as stated in the Company's Articles of Association and the Criteria and Procedures of Board Members Appointment Policy, as stipulated in the laws and regulations issued by the relevant parties.

Members of the Board shall collectively have the appropriate diversity with respect to qualifications, knowledge, experience, and skills in various areas of the Company's business and operations. In addition, each individual Board member shall possess the appropriate level of qualifications, knowledge, experience, skills, and the integrity to effectively perform his or her role and discharge his or her responsibilities.

All individual members of the Board shall have the same proportionate control and influence over the decisions of the Board, and the Members of the Board shall be granted unrestricted access to any relevant information regarding the Company. The Board shall be able to seek external independent advice, when necessary, at the Company's expense.

Article (4): Appointment of Board Members:

The Company shall use high standards and levels in evaluation of extent of suitability and appropriateness of the board of directors for their positions. They shall be appointed as set forth in the requirements for appointment at commanding positions at the financial institutions issued by IA. The Board of Directors shall be formed as stated in the Company's by Laws and Policy & Procedures of Board Membership Appointment.

- A Board member shall not be a member for more than five listed joint stock companies at the same time.
- A Board member shall not be a member of a board of another local insurance and/or Reinsurance Company, or any other board committees, or occupying a senior position in such companies.
- Without prejudice to the provisions of Company's bylaws, The Board appoints a chairman, a vice chairman and may appoint a managing director of its members and Secretary of the board.
- The Board shall choose a Non-Executive as Chairman of the Board, and also the Board may select a non-executive member as Vice- Chairman (after obtaining IA's nonobjection).
- It is prohibited to conjoin the position of the Chairman of the Board with any other executive position in the Company, such as the Chief Executive Officer (CEO) or the managing director or the general manager.
- The Board shall define the competencies and specify the responsibilities of the chairman, the vice chairman, and the managing director (if any) explicitly and Secretary of the board and in writing if the Company's bylaws have no reference thereto.
- In all cases, no person shall have the sole and absolute power to take decisions in the Company.
- It is prohibited to appoint the Chief Executive Officer, during the first year following the end of his/her service, as the chairman of the Board.

Article (5): Forming the Committees:

The Board shall establish an executive Committee, an Audit Committee, a nomination and remuneration Committee, a risk management Committee, and an investment Committee. Board Committees shall operate in a manner similar to that of the Board.

These Committees shall be formed by a decision from board of directors as follows:

1. As may be needed depending on the Company's circumstances in order to enable it to effectively perform its duties.
2. The composition of the Committees shall be made in accordance with general procedures developed by the Board, which shall determine the duties, duration and powers of each Committee, and the manner in which the Board monitors the activities of each Committee. The Committee shall inform the Board of its findings or decisions with complete transparency. The Board shall regularly follow up the activities of such Committees to ensure the performance of the duties delegated to them.
3. Each Committee shall be responsible before the Board for its activities, this shall not relieve the Board of its responsibility for such activities, duties and powers that it has delegated to such Committee.
4. The number of members of a committee shall not be less than three or more than five.
5. The chairmen or whom they delegate of each committee members, shall attend the General Assembly Meetings and answer any questions raised by the shareholders.
6. The Company shall provide the Authority with the names of the members and the types of their memberships in such Board's committees within five (5) days of their appointment, and shall notify the Authority of any changes thereto within five (5) days of the date of such changes.

Chapter (2): Responsibilities and powers of the Board of Directors

Article (6): Responsibilities of the Chairman:

- A. The Chairman shall be appointed after obtaining IA's NOC.
- B. The Board of Directors shall entrust the Chairman to regulate the Board's business and give it the necessary powers.
- C. Ensuring that the Board effectively discusses all fundamental issues in due course;
- D. Ensuring that the Board members obtain complete, clear, accurate and non-misleading information in due course, and encouraging the Board members to effectively perform their duties in order to achieve the interests of the Company.
- E. He shall regulate Board business, such as preparing agendas of the Board meetings, taking into consideration any matters raised by Board members or the external auditor and consult with the Board members and the Chief Executive Officer upon preparing the Board's agenda; and also preside the meetings and oversee the process of providing the Board with information and reports.
- F. Representing the Company before third parties in accordance with the Companies Law and its implementing regulations and the Company's bylaws; Such as (the judicial bodies and supervise the relationships between the Board and internal and external parties.)
- G. ensuring that there are actual communication channels with shareholders and conveying their opinions to the Board;
- H. He shall support the Board's efforts in promoting higher standards of corporate governance and ensure the compliance with applicable laws and regulations at all times.
- I. the Chairman of the Board shall be restricted to his or her supervisory role and shall not extend to the executive responsibilities reserved for the CEO/MD, and he/she shall ensure that the Board conducts its activities responsibly, without unduly interfering with the Company's operational activities.
- J. Encouraging constructive relationships and effective participation between the Board and the Executive Management on the one hand, and the Executive, Non-Executive and Independent Directors on the other hand, and creating a culture that encourages constructive criticism, and hold regular meetings with non-executive members, without the presence of any executive of the Company.
- K. He shall inform the Ordinary General Assembly (OGA) when convened of the contracts and business in which a Board member has direct or indirect interest, along with the report of the External Auditor.
- L. Supervising the composition of the Committees of the Board and submitting a recommendation to the Board to approve the names nominated for membership in those Committees.

Article (7): Obligations of Board of Directors:

Each member of the Board shall, being a Board member, perform the following tasks and duties:

- . To provide proposals for the development of the Company's strategy.
- . To monitor the executive management performance and its achievement of the objectives and purposes of the Company;
- . To review the reports on the Company performance.
- . To verify the validity and integrity of the Company financial statements and information.

- . To ensure that the Company's financial control and risk management systems are strong.
- . To determine the appropriate levels of the executive management members remunerations.
- . To express an opinion on the appointment and removal the members of the executive management.
- . To participate in the development of succession and replacement plan in relation to the Company's executive positions.
- . To comply with the provisions of the Companies Law, the Financial Market Law, the Cooperative Insurance Companies Control Law and their Implementing Regulations, the relevant regulations and the Company's Articles of Association, when exercising their duties in the Board and abstaining from performing or participating in any act that would lead to the mismanagement of the Company's affairs.
- . Refraining from disclosing or announcing any secrets he/she came across through his/her membership in the Board to any shareholder of the Company, unless such disclosure is made during the meetings of the General Assembly, or to a third party, in pursuance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- . To attend the meetings of Board and the General Meeting and not be absent except for legitimate excuse of which the chairman of the Board shall be notified by prior notice, or for emergency reasons;
- . The Board members shall be interested to know the latest regulatory developments and participate in training programs organized by the Company as required in the areas and subjects related to their responsibilities.
- . The Board Members shall be regularly updated on the course of actions and act in good faith, with due diligence and shall comply with the laws and regulations, benefiting the Shareholders, insured and other Stakeholders.
- . The Board Members shall perform their duties without being influenced by any external or internal factors. They shall not prioritize their personal interests or the interests of the parties they are representing over the interests of the Company, Shareholders and other Stakeholders.
- . The Board shall leverage the services of independent external parties to provide assurance on the adequacy and effectiveness of the governance structure and processes of the Company .and on other technical areas, where the Board might lack relevant expertise.
- . The Board is accountable to the shareholders, regulatory and supervisory bodies, and other Stakeholders.
- . Allocating sufficient time to fulfill his/her responsibilities and preparing for the Board and its Committees meetings and effectively participating therein, including raising relevant questions and carrying discussions with the Senior Executives;
- . Studying and analyzing all information related to the matters looked into by the Board before expressing an opinion on the same;
- . Enabling other Board members to express their opinions freely, and encouraging the Board to deliberate on the subjects and obtain the views of the competent members of the Company's Executive Management and others, when necessary;
- . Notifying the Board fully and immediately of any interest, either direct or indirect, in the businesses and contracts that are executed for the Company's account, the notification shall include the nature and extent of such interest, the names of concerned persons, and the expected benefit to be obtained

directly or indirectly from interest whether financial or non-financial. The concerned member shall abstain from voting on any decisions issued in connection therewith in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;

- Notifying the Board fully and immediately of his/her participation, directly or indirectly, in any businesses that may compete with the Company or lead to competing with the Company, directly or indirectly, in respect of any of its activities, in compliance with the provisions of the Companies Law, the Capital Market Law and their implementing regulations;
- Resigning from the membership of the Board if he/she is unable to fully fulfill his/her duties and required responsibilities in the Board.
- Working on the basis of complete information, in good faith and with the necessary care and diligence for the interest of the Company and all shareholders;
- Recognizing his/her duties, roles and responsibilities arising from the membership;
- Developing his/her knowledge in the field of the Company's business and activities and in the related financial, commercial and industrial fields; and

Article (8): Duties of the Independent Member:

An Independent Director of the Board shall effectively participate in the following duties:

1. Expressing his/her independent opinion in respect of strategic issues and the Company's policies and performance and appointing members of the Executive Management;
2. Ensuring that the interest of the Company and its shareholders are taken into account and given priority in case of any conflicts of interest;
3. Overseeing the development of the Company's Corporate Governance rules, and monitoring the implementation of the rules by the Executive Management.

Article (9): Main Responsibilities of the Board of Directors:

A. The Board represents all shareholders; it shall perform its duties of care and loyalty in managing the Company's affairs and undertake all actions in the general interest of the Company and develop it and maximize its value.

B. The Board is responsible for the Company's business even if it delegates some of its powers to committees, individuals or other third parties. In any case, the Board may not issue a general or an open-ended delegation.

The Board of Directors shall assume the responsibility of the Company wisely and effectively in a manner that achieves the interest of the Company, connects it to its assets and maximizes its wealth. The responsibilities of the Board of Directors are as follows:

1. The Board shall form the Executive Management of the Company, regulate its operating procedures, monitor and oversee it and ensure that it performs the duties assigned to it, and to achieve this, the Board shall:

- A. Develop the necessary administrative and financial policies;
- B. Ensure that the Executive Management operates in accordance with the policies approved by the Board.;

- C. select and appoint the Chief Executive Officer of the Company, and oversee his/her work;
 - D. appoint the manager of the internal audit unit or department, or the internal auditor and dismiss him and determine his remuneration;
 - E. convene periodic meetings with the Executive Management to explore the work progress and any obstacles and problems in connection therewith, and review and discuss the important information in respect of the Company's business;
 - F. fdd
 - G. review and evaluate the performance of the Executive Management; and
 - H. develop succession plans for the management of the Company.
2. Develop the plans, policies, strategies and main objectives of the Company, supervise their implementation and reviewing them periodically, and ensuring the availability of the necessary human and financial resources to achieve them, including:
- a. Develop, review and direct the Company's comprehensive strategy, main work plans, and risk management policies and procedures.
 - b. Determine the optimal capital structure for the Company, its strategies and financial objectives, and approving all kinds of discretionary budgets.
 - c. Supervise the main capital expenditures of the Company, and owning and disposing of assets.
 - d. Set performance objectives and monitoring implementation and overall performance in the Company.
 - e. Periodic review and approval of organizational and functional structures in the Company.
 - f. Verify the availability of human and financial resources necessary to achieve the Company's objectives and main plans.
3. Establish rules and controls for internal control and general supervision over them and ensuring its adequacy and effectiveness, including:
- A. Develop a written policy to address actual and potential conflict of interest cases for each of the members of the Board of Directors, senior management and shareholders, including misuse of the Company's assets and facilities, and misconduct resulting from dealings with related parties.
 - B. Ensuring the integrity of the financial and accounting rules, including rules relating to the preparation of financial reports;
 - C. Ensure the application of appropriate control systems to measure and manage risks by developing a general perception of the risks that the Company may face, creating an environment familiar with the culture of risk management at the Company level, and presenting it transparently with stakeholders and related parties to the Company.
 - D. Annual review of the effectiveness of the Company's internal control procedures.
4. Setting forth specific and explicit policies, standards and procedures for membership in the Board, without prejudice to the mandatory provisions of these Regulations, and implementing them following approval by the General Assembly;
5. Setting policies and procedures to ensure the Company's compliance with the laws and regulations and the Company's obligation to disclose material information to shareholders and Stakeholders, and ensuring the compliance of the Executive Management with these policies and procedures;

6. Developing a written policy that regulates the relationship with Stakeholders pursuant to the provisions of these Regulations.
7. Supervising the management of the Company's finances, its cash flows as well as its financial and credit relationships with third parties;
8. Providing recommendations to the Extraordinary General Assembly as to what it deems appropriate regarding the following:
 - a) Increase or decrease the Company's capital
 - b) Dissolve the Company before the deadline set in the Company's articles of association or deciding its continuation.
9. Providing recommendation to the Ordinary General Assembly as to what it deems appropriate regarding:
 - A. Use of the company's reserves, if they are not allocated for a specific purpose in the Company's bylaws;
 - B. Creating additional reserves or financial allocations for the Company.
 - C. The method of distributing the Company's net profits.
10. Preparing the Company's interim and annual financial statements and approving them before publishing them;
11. Preparing the Board report and approving it before publishing it.
12. Ensuring the accuracy and integrity of the data and information which must be disclosed pursuant to the applicable policies and systems in respect of disclosure and transparency.
13. Developing effective communication channels allowing shareholders to continuously and periodically review the various aspects of the Company's businesses as well as any material developments;
14. Forming specialized committees of the Board pursuant to resolutions that shall specify the term, powers and responsibilities of such committees as well as the manner used by the Board to monitor such committees. Such resolutions shall also specify the names of the members and their duties, rights and obligations and shall evaluate the performance and activities of these committees and their members;
15. Specifying the types of remunerations granted to the Company's employees, such as fixed remunerations, remunerations linked to performance and remunerations in the form of shares without prejudice to the Implementing Regulation of the Companies Law for Listed Joint Stock Companies;
16. Notifying the Ordinary General Assembly when convened of the businesses and contracts in which any Board member has a direct or indirect interest; the notification shall include the information provided by the member of the Board as per paragraph (14) of Article (28) of the Corporate Governance Regulations issued by CMA, and shall be accompanied by a special report of the Company's external auditor.
17. Set the values and standards that govern work in the Company.
18. Providing strategic guidance to the Company, including setting objectives and formulating strategic plans.
19. Selecting and changing (if needed) executives in key positions, and ensuring that the Company has an appropriate replacement policy for their replacement by an appropriate alternative with the

necessary skills and eligibility for the office.

20. The Board shall establish written policies and procedures to organize its activities in a formal and transparent manner.

21. Ensuring that the interests of the policyholders are being protected at all times.

22. The Board shall grant the audit committee the appropriate level of authority to investigate any matter within its mandate and shall ensure that the internal audit function is autonomous and is granted full access to all the information it needs to conduct its activities. In addition, the Board should take all necessary measures to ensure the responsiveness of Senior Management to internal auditors' queries and recommendations.

23. Supervising Senior Management and monitoring the Company's performance against the performance objectives set by the Board.

24. Promoting higher standards of corporate governance and ensuring compliance with applicable laws and regulations at all times.

25. Establish the code of conduct in accordance with applicable laws and regulations and ensuring that these standards and rules include best professional practices and are adhered to.

26. Ensure that all existing and proposed outsourcing arrangements are subject to a comprehensive risk review process at contract and renewal.

27. The Board of Directors should ensure that senior management has assessed each proposed Outsourcing function qualitatively and quantitatively and classified it as material or non-material prior to submitting to IA.

28. Reviewing the report issued by the actuary and provide it to the IA within (15) days of receiving the report.

29. Reviewing the business plan for electronic insurance operations before submitting it to the institution, approving that plan after obtaining the written approval of the IA and the Insurance Authority, and reviewing this plan when any fundamental change is made in the company's strategy for electronic insurance operations.

30. Preserving the company's confidential information and not disclosing it or allowing it to be broadcast unless approved by the Chairman of the Board, or if its disclosure is required by law or law. In this case, the Chairman of the Board and the Managing Director must be informed before disclosing it.

31. Understanding and being aware of the legislation, topics and issues that affect the work and responsibilities of the Council.

32. Maintaining sufficient knowledge of developments in the insurance market and the laws and legislation regulating it, identifying obstacles that may hinder the company from achieving its goals and recommending appropriate measures regarding them.

33. Allocating the time to attend meetings and adhere to reading and reviewing meetings before it and evaluating the information provided and seeing the positions and minutes The rejected by the council in front of the council and in the decision -making process.

• The role and responsibilities of the Board of Directors related to risk management:

34. Understand the risks associated with the Company and ensure the application of appropriate control systems to manage risks, by defining the general perception of the risks that the Company may face, setting a policy to manage them and allocating administrative resources for their implementation. These risks include any new risks that may arise as a result of changes in the Company's operations such as expansions and product offerings. New and changes in legislative laws.
35. Design a risk management strategy consistent with the Company's obligations towards its shareholders and the regulatory requirements that the Company shall follow.
36. Approval in writing of the risk management policies.
37. Ensure that risk management control systems are implemented and operating effectively.
38. Review risk management procedures adopted by senior management and giving priority to discussing risk management issues and the actions to be taken.
39. Re-evaluate the Company's ability to bear risks and its exposure on a regular basis, including but not limited to, by conducting stress tests.

• The role and responsibilities of the Board of Directors related to AML:

40. Ensuring that the risks of money laundering and terrorist financing in the company are carefully and comprehensively evaluated for all risks facing the company to develop appropriate policies to manage the risks to which it is exposed.
41. Adopting an income policy to mitigate the risks of money laundering and terrorist financing and ensuring the effectiveness of its implementation.
42. Providing adequate budget and resources, including providing appropriate and qualified employees, as well as appropriate systems and tools to ensure the effective application of policies, procedures and internal controls commensurate with the identified risks of combating money laundering.
43. Follow up on the implementation of continuous and annual training programs in the field of combating money laundering and terrorist financing for all employees, including training members of the Board of Directors and senior management.
44. Ensure that appropriate independent audit mechanisms are in place so that the Board of Directors can monitor the ongoing effectiveness of internal controls.
45. Ensuring the receipt of regular and comprehensive reports on the money laundering and terrorist financing risks facing the company, including but not limited to:
 - A. Corrective action plans, if any, to address the results of independent audits (whether internal or external) or observations of the Compliance and Anti-Money Laundering and Combating the Financing of Terrorism Department, examination reports received from the Insurance Authority regarding the assessment of the company's compliance with money laundering and terrorist financing requirements.
 - B. Developments and updates in anti-money laundering and anti-terrorist financing systems and regulations and their repercussions, if any.
 - C. Details of the high money laundering and terrorist financing risks and potential impacts on the company.

D. Special details about the application and implementation of financial sanctions procedures related to Security Council resolutions regarding those included on terrorist lists, or related to combating the spread of arms, or decisions notified through the Insurance Authority.

• The role and responsibilities of the Board of Directors related to the work of the Audit Committee:

46. Follow up the work of the Audit Committee and verify its commitment to its responsibilities and duties, and discuss related matters, including the recommendations issued by this Committee.

47. Ensure that the Company has the appropriate organizational structure, bylaws and internal rules with the need to review them periodically and that it has a system and methodology for reporting within the Company on the various aspects that fall within the scope of the Audit Committee's jurisdiction.

48. Draft the responsibilities and powers of the Audit Committee and substantiate them in the minutes of the Board of Directors, provided that these powers include the ability to investigate any activity within the Company within its responsibilities and access any information it needs.

49. Provide all that is required from him to facilitate the work of the Audit Committee, the Internal Audit Department and the Compliance Department.

50. Ensure that the Audit Committee performs the supervisory and oversight role and does not exercise executive functions or work or take administrative decisions.

• The role and responsibilities of the Board of Directors related to the investment regulations:

51. As part of the development of the asset management strategy, the Board of Directors must also ensure that adequate reporting and internal control systems of the Company are in place, and designed to monitor that assets are being managed in accordance with the investment policy, and legal and regulatory requirements. This should be done by ensuring that:

A- They receive quarterly information, including feedback from the Company's risk management function, on asset exposures, and the associated risks. Data should be in a form which is understood by them and which permits them to make an informed judgment as to the level of risk on a mark-to-market basis.

B- The systems provide accurate and timely information on asset risk exposure and are capable of generating ad-hoc requests.

C- Remuneration policies are structured to avoid potential incentives for unauthorized risk taking.

52. The Board of Directors must ensure that senior management is in a position to monitor the performance of the external investment manager(s) against Board approved policies and procedures.

• The role and responsibilities of the Board of Directors related to the anti- fraud regulation:

53. The company's board of directors is responsible for the management of fraud risk. Its activities should include:

A. The approval of the fraud management strategy.

B. The mobilization of required internal resources to enable proper detection, measurement, mitigation and monitoring of fraud risk in all market segments.

C. The company's board of directors and senior management should identify organizational functions and processes that are subject to a high risk of fraud and design and implement preventive measures to counter that risk accordingly.

Article (10): Separation of Positions:

1. it is prohibited to hold, at the same time, the position of chairman of the Board and any other executive position in the Company, including the positions of the managing director, the Chief Executive Officer, or the general manager, even if the Company's bylaws provided for otherwise.
2. the Board shall define the competencies and specify the responsibilities of the chairman, the vice chairman, and the managing director or the chief executive officer explicitly and in writing if the Company's bylaws have no reference thereto.
3. in all cases, no person shall have the sole and absolute power to take decisions in the Company.

Article (11): Distribution of Competencies and Duties:

The Board of Directors shall have the broadest powers in distributing tasks and responsibilities to some of the members of the Board of Directors or committees emanating from the Board or senior management, each according to his specialization, provided that the internal policies and organizational structure include defining the powers and distributing tasks between the Board of Directors and the executive management in accordance with best governance practices. companies, improves the efficiency of company decision-making, and achieves a balance in the powers and authorities between them. To do this, the Board of Directors must:

- 1) approve and develop internal policies in respect of the Company's business, including specifying the duties, competencies and responsibilities assigned to the various organizational levels;
- 2) approving a written and detailed policy that identifies the powers delegated to the Executive Management, a matrix stating these powers, means of implementation and the period of delegation\ The Board may request the Executive Management to submit periodic reports in respect of its exercise of such delegated powers; and
- 3) identifying the matters on which the Board reserves the power to decide.

Chapter (3): Executive Management at Al-Jazira Takaful Taawuni Company

Article (12): Main responsibilities of the Executive Management:

The executive management shall perform its role in implementing the Company's strategic plans and objectives to achieve its purposes and shall include the following, within its roles and responsibilities:

1. To implement the Company's plans, policies, strategies and objectives;
2. Suggesting the Company's comprehensive strategy as well as the principal and interim business plans and the policies and mechanisms for investment, financing, risk management and emergency administrative circumstances management plans and implementing them;
3. Preparing and present the periodic financial and non-financial statements of the Board on the progress of the Company's activity in light of the Company's strategic plans and objectives;
4. Proposing the most appropriate capital structure for the Company and its strategies and financial objectives;
5. Proposing the main capital expenditures of the Company and acquiring and disposing of assets;
6. Proposing the organizational and human resources structures of the Company and presenting them to the Board for approval.
7. To optimally manage the human, material and financial resources, in line with the objectives and strategy of the Company;
8. To manage the daily affairs and conduct the activities of the Company and to optimally manage its resources, in line with the objectives and strategy of the Company and in compliance with the relevant laws and regulations;
9. To develop, implement and verify effectiveness and adequacy of the internal control and risk management systems and Corporate Governance, and ensure compliance with the risk level approved by the Board of Directors;
10. To monitor the indicators related to the Company's business environment and related industries;
11. To implement the policy set by the Board of Directors and the Shareholders' General Meetings and take the decisions that serve the interest of the Company, business and achievement of its objectives;
12. To make recommendation to the Board of Directors regarding:
 - . The Company's general strategy and the investment plan.
 - . Setting the financial objectives.
 - . Determining the optimal method for capital distribution
 - . Proposing the main capital expenditure of the Company and holding and disposing of assets.
13. To implement and generally supervise the internal control systems and controls, including
 - . Putting the conflict-of-interest policy into effect.
 - . Implementing the financial and accounting procedures properly, including the procedures related to financial reporting.
 - . Implementing appropriate control systems for risk measurement and management by setting a general perception on the risks that the Company may experience and create a risk-limiting environment at the Company level and put them transparently to the Board and other Stakeholders.
14. Implementing the Company's Corporate Governance rules effectively, to the extent they do not

- conflict with the provisions of these Regulations, and proposing amendments thereto if needed;
15. To implement the policies and procedures ensuring that the Company complies with the rules and regulations and fulfills its obligation to disclose the material information to Shareholders and Stakeholders.
 16. To provide the Board of Directors with the necessary information to exercise its competences and make recommendations regarding:
 - . To increase or decrease the Company's capital.
 - . To dissolve the Company prior to the term set in the Company's Articles of Association or to decide to continue.
 - . Use of the Company's reserves if they are not allocated for a specific purpose in the Company's bylaws;
 - . To form additional reserves for the Company.
 - . How to distribute the Company's net profits.
 17. Proposing the policy and types of remunerations granted to employees, such as fixed remunerations, remunerations linked to performance and remunerations in the form of shares;
 18. To put a clear policy for the delegation of business to the executive management and how to be implemented.
 19. Proposing the powers to be delegated to the Executive Management, the procedures for decision making and the period of delegation, provided that it shall present periodic reports to the Board in respect of its exercise of such powers.
 20. To monitor the financial performance and governance model applied in the Company.
 21. Participating effectively in building and developing a culture of ethical values within the Company;
 22. To represent the Company before the official authorities and to coordinate with the Company to contribute to the development of the regulations and laws required to remove the impediments that the Company may face and support its ability to achieve its objectives.
 23. In addition, the CEO/MD shall have all the powers set out in the Company's Articles of Association.
 24. To keep the information related to the Company and its activities confidential and not to disclose it to third parties.
 25. To develop a set of the required procedures to act accordingly in order to control the communication with the various media to ensure that the Company's disclosures are in compliance with regulations and laws.
 26. Providing Board Members & Non-Executive Members especially and Committees with all required information, documentations, accurately and in timely manner to enable them perform their duties.
 27. Record keeping and audit trails
 28. Ensuring that regulatory and supervisory requirements are met to the highest extent possible.

Part (2): Internal Control

The Board of Directors shall adopt an internal control system to evaluate risk management policies and procedures, apply the relevant provisions of governance rules adopted by the Company and comply with relevant regulations and laws. This system shall ensure that clear standards of liability are observed at all the Company's executive levels and that the transactions of the relevant parties are in accordance with its own laws and regulations.

The Company may utilize external entities to perform the duties and competencies of Risk Management and Internal Control without prejudice to the Company's responsibility for those duties and competencies.

The Company has established independent departments to implement its internal control system, namely:

- Risk Management
- Internal Audit
- Compliance Department.

Article (13): Risk Management Function:

The risk management function shall conduct its activities in accordance with the risk management regulation issued by IA, and any other regulatory or supervisory requirements issued by IA or CMA.

The risk management function shall be independent from the underwriting function as the number, knowledge, and experience of employees within the risk management function shall be commensurate with the nature, scale and complexity of the Company's business. Also, the Company shall at least have two (2) risk management officers: one for general and health insurance and one for protection and saving insurance, if exercised.

The risk management function shall report to the CEO. The risk management function may have direct access to the risk management Committee (BRC) at any time.

• The duties of the risk management function:

- a) Implementing the risk management strategy.
- b) Monitoring the Company's risk profile.
- c) Developing effective risk management policies and procedures to identify, assess, quantify, control, mitigate, and monitor risks.
- d) Identifying emerging risks and recommending remedial actions to mitigate and control them.
- e) Regularly evaluating the Company's tolerance for, and exposure to, risks (e.g., through stress testing exercises).
- f) Establishing a contingency plan.
- g) Coordinating with Senior Management to ensure the effectiveness and efficiency of the risk management system.

Article (14): Internal Audit:

The Internal Audit shall conduct its activities in accordance with the Audit Committee charter and any other regulatory or supervisory requirements issued by IA or CMA. Internal Audit department is responsible for evaluating, and recommending actions to improve the adequacy and effectiveness of internal controls, policies, processes, and reporting procedures, and recommendations.

(Internal Auditors shall be competent, independent and adequately trained. Remunerations of Internal Audit Manager shall be determined by a recommendation from Audit Committee as per Company's policies.

The Internal Audit shall be an independent and associated with the Audit Committee and reporting to the CEO/MD. The internal Audit shall be responsible for establishing the Company's annual Auditing plan approved by the Audit Committee, to monitoring the Company's performance through Auditing and checking the Company's operations to detect absence of any financial and non-financial violations of the internal regulations. In addition, ensuring compliance with the control systems, ensuring the efficiency of these regulations and emphasis the implementation of the internal control. The internal Audit shall report to the Audit Committee.

• Powers of the Internal Audit Department:

Internal Audit Department may have access to information, data and documents, and shall be able to obtain the same without any restrictions.

• Internal audit reports:

- 1) Internal Audit Department shall adhere to the Internal Audit Charter approved by the Audit Committee, and any other regulatory or supervisory requirements issued by IA or CMA related to the internal Audit reports.
- 2) Company shall keep records of Audit reports and documents, which shall clarify its accomplishments, findings and recommendations, and all actions taken.
- 3) The internal audit unit or department shall prepare and submit a written report on its activities at least quarterly to the Board and the audit committee. Such report shall include an assessment of the Company's internal control system and the final opinion and recommendations of the unit or department. Such report shall also specify the procedures taken by each department for addressing the findings and recommendations from the previous audit, and any remarks thereon, particularly failures to promptly address such findings and recommendations and the reasons for such failure;
- 4) The internal audit unit or department shall prepare a general written report to be submitted to the Board and the audit committee on the audit activities it carried during the fiscal year compared to the approved plan. Such report shall explain the reasons for any deviation from the plan, if any, during the quarter following the end of the relevant financial year;
- 5) The Board shall specify the scope of the report of the internal audit unit or department, based on recommendations from the audit committee and the internal audit unit or department. The report shall include the following in particular:

- A. procedures for monitoring and overseeing the financial affairs, investments and risk management;
- B. assessing the development of risk factors threatening the Company and the existing systems, in order to confront radical or unexpected changes;
- C. an assessment of the performance of the Board and the Senior Management with respect to the implementation of internal control systems, including specifying the number of times the Board has been informed of control issues (including risk management) and a description of the method followed to address such issues;
- D. failures or weaknesses in the implementation of internal control, or emergency situations that have affected or may affect the Company's financial performance, and the measures taken by the Company to address such failures (particularly the issues disclosed in the Company's annual reports and its financial statements);
- E. the extent to which the Company has complied with the internal controls when determining and managing risks; and
- F. information describing the Company's risk management operations.

Article (15): Compliance Department:

The Compliance Department is responsible for monitoring the Company's compliance, at all times, with all applicable laws, regulations, and rules issued by IA and other related regulatory bodies, and to take necessary actions to enhance the regulatory compliance. The Compliance Department shall preform its activities in accordance with the Audit Committees' charter and any other regulatory or supervisory requirements issued by the IA or CMA.

The Compliance Department shall be an independent function that is associated with the Audit Committee and administratively with the CEO/MD. The Compliance Department shall report to the Audit Committee with regards to violations of the Company's rules and regulations.

Part (3): External Auditor:

The Company shall assign the Auditing of its annual accounts to an independent and competent external Auditor (as per the Company's Articles of Association) and related regulations, who possesses the necessary expertise and qualifications to prepare an objective and independent report to the Board and the shareholders, setting out whether Company's financial statements clearly and impartially express the financial position of the Company and its performance in the significant areas.

Article (16): Appointment of the External Auditor:

The Ordinary General Assembly shall appoint Company's external Auditor based on a recommendation from the Board, and based on a recommendation from the Audit Committee.

- External Auditor shall be authorized by the competent authority.
- External Auditor's interests shall not conflict with Company's interests.
- Number of nominees shall not be less than two.

Article (17): Duties of the External Auditor:

- External Auditor shall owe the duties of loyalty and care to the Company.
- External Auditor shall notify CMA if the Board fails to take appropriate actions in respect of suspicious issues that been raised.
- External Auditor shall request the Board to conduct a General Assembly meeting if the Board has not facilitated his mission; and shall be liable to compensate the Company, the shareholders or third parties for the damages resulted from what the board commits. If an issue is attributable to more than one external Auditor, they shall be jointly responsible.

Part (4): Appointed Actuary:

Article (18): Duties of the appointed actuary:

The Appointed Actuary shall:

1. Perform its work in accordance under actuarial principles and standards issued by the Actuarial Association of which they are a member and be accountable to that Actuarial Association as regards compliance with that Actuarial Association's professional standards as well as to IA as regards compliance with these Rules and IA's Instructions.
2. Perform his duties with honesty, integrity and competence, avoid conflicts of interest and provide unbiased and objective advice, and shall not conceal any facts relating to the Company's financial or technical position or knowingly provide incorrect information.
3. Not to disclose the Company's confidential information, or information obtained during the performance of his or her work while he or she is fulfilling his or her responsibilities or after its completion except that this disclosure is to IA, or for application of relevant regulations or IA's Instructions.
4. Review and take responsibility for all work carried out on their behalf.

5. Keep records of their work subject to strict data confidentiality, organized according to their Actuarial Association's professional standards. The records shall include the copies of the documents that shall be provided to the Company and to IA, and the base data from which the documents have been derived and all supporting calculations.
6. Where the Appointed Actuary is not an employee of the Company, the records referred to in Item (5) above shall be held within the Company and retained by the Company for at least ten years within the Company after the date of the report to which the records or documentation relates, and shall be accessible only to the Appointed Actuary and his or her delegates, the Company and IA.
7. Perform Actuarial Services where competent and appropriately experienced to do so.
8. Ensure consistency of their work with applicable financial reporting standards in the Kingdom.
9. Advise on any other matters as instructed by the Board of Directors and Senior Management, provided that this does not conflict with his or her responsibilities as set out in these Rules and IA's Instructions.

Article (19): Role and responsibilities of the appointed actuary:

The actuary must adhere to the legislation, regulations, and circulars issued by the relevant regulatory authorities related to his work, which include, but are not limited to:

1. Study the company's financial situation.
2. Evaluating the adequacy of the company's capital.
3. Evaluating the company's ability to meet its future obligations.
4. Pricing savings, health insurance, and vehicle insurance products, while making recommendations on the adequacy of premium rates for other general insurance categories of products.
5. Coordination with risk management officials to estimate the impact of significant risks, determine the appropriate mechanism to mitigate their impact, and provide data for the insurance authority's risk management requirements.
6. Providing recommendations to the company's Board of Directors about the investment policy and asset management strategy, taking into account the nature and timing of assets and liabilities of insurance contracts, and the availability of appropriate assets in the form and timing determined by the Insurance Authority.
7. Determine the surplus or deficit in general.
8. Preparing appropriate reports in accordance with the financial reporting forms required by the Insurance Authority.
9. Review the company's underwriting guides.
10. Preparing an annual report showing the efficiency of the company's technical reserves and the prices of insurance products.
11. Analyze the development of the insurance portfolio and analyze costs.
12. Analysis of the development of the insurance portfolio and cost analysis.
13. Prepare a report showing the alignment of assets and liabilities.
14. Providing advice on any other actuarial matters.
15. Submitting urgent periodic and interim reports to the Insurance Authority, the Board of Directors, senior management and supervisory departments according to the report disclosure mechanism stipulated in the regulations and circulars issued by the relevant Insurance Authority.

Part (5): Shareholders and stakeholders:

Chapter (1): General Rights:

Article (20): Fair Treatment of Shareholders:

- 1) The Board of Directors are obliged to seek shareholders' & stakeholders' rights protection to ensure fairness and equality among them. Hence, the Board of Directors and the Executive Management of the Company are obliged not to discriminate among shareholders who own the same class of shares nor prevent them from accessing any of their rights.
- 2) Significant Shareholders shall be of good conduct and reputation, financially sound, with no convictions related to committing any action involving moral dishonesty or contravention of laws in the Kingdom of Saudi Arabia or any other jurisdiction.

Article (21): Rights related to shares:

- 1) to obtain his/her portion of the net profits which are to be distributed in cash or through the issuance of shares;
- 2) to obtain his/her share of the Company's assets upon liquidation;
- 3) to attend the General or Special Shareholders Assemblies, take part in their deliberations and vote on their decisions;
- 4) to dispose of his/her shares in accordance with the provisions of the Companies Law, The Capital Market Law and their implementing regulations
- 5) to enquire and request viewing the books and documents of the Company, including the data and information related to the activities of the Company and its operational and investment strategy without prejudice to the interests of the Company or breach of the Companies Law and the Capital Market Law and their implementing regulations;
- 6) to monitor the performance of the Company and the activities of the Board
- 7) to hold Board members accountable, to file liability lawsuits against them and appeal for nullification of the resolutions of the General and Special Shareholders Assemblies in accordance with the conditions and restrictions provided in the Companies Law and the bylaws of the Company;
- 8) preemptive rights to subscribe for new shares issued in exchange for cash unless otherwise specified in the Company's bylaws or when the Extraordinary General Assembly suspends the preemptive rights as per Article (129) of the company's law.
- 9) to record his/her name in the Company's shareholders register;
- 10) to request to view a copy of the Company's articles of association and bylaws unless the Company publishes them on its website; and
- 11) to nominate and elect the Board members.

Article (22): Facilitating the Exercise of Rights and Access to information by Shareholders:

- a) The Board shall make available to the shareholder complete, clear, accurate and no misleading information to enable him/her to properly exercise his/her rights. Such information shall be provided at the proper times and shall be updated regularly.
- b) The method used to provide information to the shareholders shall be clear and detailed and shall include a list of the Company's information that the shareholders may obtain. This information shall be made available to all shareholders of the same type or class
- c) The Company shall use the most effective methods in communicating with shareholders and shall not discriminate among shareholders in respect of providing information.

Article (23): Communicating with Shareholders:

- A. The Board of Directors ensures communication between the company and shareholders based on a common understanding of the company's strategic objectives and interests.
- B. Shareholders must have the opportunity to communicate their opinions and inquiries to the Board of Directors and senior management on a regular basis, and the Chairman of the Board of Directors and the CEO must inform the rest of the members of the Board of Directors of the shareholders' opinions and discuss them with them.
- C. No shareholder may intervene in the operations of the Board or the work of the Executive Management of the Company unless he/she is a member of its Board or works in its executive management; or unless his/her intervention is through the General Assembly according to its powers.

Article (24): Shareholders' Rights related to the General Meeting:

In order to maintain the Shareholders' rights, the Company shall:

- Give the Shareholders an opportunity to effectively participate and vote in the Shareholders' General Meetings. This can be done through modern technology. They shall be informed of the rules governing such meetings and voting procedures.
- Facilitate the participation of the largest number of Shareholders in the General Meeting, including the choice of appropriate place and time.
- In preparing the GM's agenda, the Board of Directors shall take into account the issues the Shareholders wish to include on the agenda of the GM.
- During its preparation, the Shareholders holding at least 10% of the company's shares that have voting rights may add one or more issues to the agenda of the GM.
- The Shareholders shall have the right to discuss the issues included in the agenda of the GM and to make questions on such issues to the Board members and the legal accountant. The Board of Directors or the legal Accountant shall answer the Shareholders' questions to the extent that the Company's interest is not affected.
- The issues submitted before the GM shall be accompanied by sufficient information enabling Shareholders to make their decisions. The Shareholders, when posting a notice for calling for the GM, will be able to obtain, through the Company's website and "Tadawul" website, the documents and

the information related to the GM's agenda items, especially the Board of Directors' report, the Audit Committee's report, the chartered accountant's report and the financial statements.

- Shareholders shall have access to the minutes of the GM.
- The Company shall announce to the public and inform both CMA, and Tadawul as per the rules prescribed by CMA, of the results of a General Assembly meeting immediately following its conclusion.

Article (25): Voting Rights and Mechanism:

a. Voting is an essential right of a Shareholder which cannot be forfeited in any way. The Company shall avoid any action that may prevent exercising the right to vote. The exercise of the right to vote by the Shareholder shall be facilitated and accessible.

b. A shareholder in a Company may authorize, pursuant to a written proxy letter, another natural person, either from shareholders of the Company or others, provided that he is not a Board member, to attend the General Assembly or Special Assembly meetings and vote on its agenda items on his/her behalf.

c. The Company's Articles of Association shall set out how votes are taken in the Shareholders' General Meetings.

d. In the election of the Board members, the cumulative voting shall be used so that the voting right cannot be used more than once for the same share.

e. The Board members may not participate in voting on the GM's resolutions relating to absolving them from liability for the management of the Company or in relation to a direct or indirect interest to them.

Article (26): Shareholders' Rights in Dividends:

a. A clear dividends distribution policy has been developed serving the interest of the Shareholders and the Company as per the Company's bylaw approved by the Extra-Ordinary General Assembly.

b. The Company's bylaw set out the percentage to be distributed to the Shareholders out of the net profits after setting aside the statutory reserves and other reserves.

c. The General Meeting shall approve the profits to be distributed, if any, and the distribution date. The Shareholders registered with the records of Saudi

d. Securities Depository Center Company (Edaa) at the end of the trading on the General Meeting Day shall be entitled to the profits, whether in cash or bonus shares.

Article (27): Stakeholders Protection Policy:

An independent policy for the protection of stakeholders has been formulated in accordance with all relevant regulations and shall be reviewed at least annually, in accordance with the procedures stipulated in the relevant powers, regulations and regulations matrix.

Part (6): Board of Directors Charter:

The Board of Directors of the Company shall be leading and supervising the Company while they are committed to applying and implementing the highest standards of corporate governance at the Company, especially in dealing with Shareholders.

This policy includes the procedures and process of Board of Directors meetings and members' roles & responsibilities.

Article (28): Board Meetings:

1. Without prejudice to the Companies Law and Its Implementing Regulations, the Board shall convene regular meetings to perform its duties effectively, and also convene meetings whenever needed.
2. The board shall meet as per the provisions set the Company by law.
3. The Board shall approve the agenda once the Board meeting is convened. Should any member of the Board raise any objection in respect of such agenda, such objection shall be recorded in the minutes of the meeting.
4. Each member of the Board is entitled to propose additional items to the agenda.
5. The Board shall meet upon the invitation of its chairman or upon a request from one of its members. The invitation to the meeting shall be sent to each of the Board members no less than five days prior to the date of the meeting accompanied by its agenda and the necessary documents and information, unless circumstance require convening an emergency meeting, the invitation accompanied with the agenda and necessary documents and information may be sent within a period less than the five days, unless the situations for convention of the meeting were on emergency basis.
6. The board of directors shall recognize on the agenda immediately upon convention of the meeting and in the event of objection to the schedule by any member, this shall be documented in the minute of the meeting. Each member shall have the right to vote for addition of an item on the agenda of the meeting, however, non-executive members of the board shall convene closed meetings without attendance of the remaining members, at least one time per year. These meetings may be attended by Compliance Officer.
7. The Chairman shall hold regular meetings with nonexecutive members, without the presence of any executive of the Company. The Attendance of Board meetings, and dealing with cases of irregular attendance by members of such meetings shall be organized. An Independent Director of the Board shall make every effort to attend all meetings in which important and material decisions affecting the position of the Company are made.

Article (29): Exercising the Competencies of the Board:

- A) The Board shall exercise its competencies and duties to lead the Company within a framework of effective and prudent controls that allow assessing and managing risks and limiting and mitigating their effects.
- B) the Board may, within the scope of its competencies, delegate to one or more of its members or committees or a third party the performance of a specific function or functions.

C) d) The Board shall organize its activities and allocate sufficient time to perform the duties and responsibilities assigned to it, including preparing for Board and committees' meetings and ensuring the coordination, recording and retaining of the minutes of its meetings.

Article (30): Board Meeting Quorum:

1. A Board meeting is not valid unless it is attended by (half) of the members in person or by proxy, provided that the number of members present personally shall be (three) at least one of whom is an independent member, and the member may delegate another member to attend the Board's meetings and vote therein.
2. The Resolutions of the Board shall be issued by the Seniority of the votes of the attending members or their representatives, and in case of a tie, the chairman of the meeting would have the casting vote. The Board of Directors may issue Resolutions on urgent matters by presenting them to the members dispersed, unless one of the members requests - in writing - the meeting of the Board for deliberation, and in this case these Resolutions shall be presented to the Board of Directors at the first meeting that follows.
3. An Independent Director of the Board shall make every effort to attend all meetings in which important and material decisions affecting the position of the Company are made.
4. The Board Secretary will coordinate with the Board to determine meeting dates and share them with members through the calendar application in order to organize the process of attending Board of Directors meetings, and to deal with cases of members' irregularity in attending those meetings.

Article (31): Deliberation of the Board:

1. Deliberations and decisions of the board shall be documented in minutes signed by chairman of the session, attending members of the board of directors and secretary. These minutes shall be written down and documented in a special log signed by the chairman and the secretary. They shall include names of attendants and the subject discussed main deliberations, voting, objection, and abstention from voting (with reasons if any), decisions taken and any reservations on these decisions. All records and documents referred to at the meeting shall be enclosed. In case of any note by any member, which has not been resolved at the meeting of the board, it shall be noted down in the minute and the measures which have been taken with respect to them registered. If a member had any contrary opinion apart from one of the board's decisions, it shall be disclosed at that minute.
2. At emergency cases which require approval of the board, they may be raised to the board directly. This shall not require consent of any of the Board Sub Committees even if the work of this Committee included otherwise. Furthermore, for validity of this decision, approval of Seniority of members of the board shall be obtained.
3. If any member of the Board has any remarks in respect of the performance of the Company or any of the matters presented and which was not resolved in the Board meeting, such remarks shall be recorded and the procedures taken or to be taken by the Board in connection therewith must be set forth in the minutes of the Board meeting.
4. If a member of the Board expresses an opinion differs from the Board resolution, such opinion must

be recorded in detail in the minutes of the Board meeting.

5. It is permissible to use modern technological means to sign and document deliberations and decisions and record minutes.

Article (32): Board's Authority:

Subject to the specializations vested upon the General Assembly, the board of directors shall enjoy widest authorities in administering the Company in accordance with the provisions of the Companies Law, its executive regulations, the company's bylaws and other relevant regulations in order to achieve its purposes. It also shall have within his jurisdiction the right to delegate power to one or more of his members or others to initiate certain work/works in a way that shall not contradict with the regulations and laws. The board of directors shall, without limitation, represent the Company in its relations with others, governmental and private parties, chamber of commerce and industry, all companies, establishments, banks, money houses, governmental funding institutions of all types and specializations and other lenders. The board shall receive the outcome of execution and discharges, disclaimers, releases of the Company's debtors of their obligations; enter into bids; sale, purchase and mortgage of estates. The board also shall have the right to enter into contracts and sign on behalf of the Company all types of contracts, papers and documents, including without limitation, articles of association of the companies in which the Company is a partner with, with all their amendments and decisions of amendment; signing all agreements and deeds before the notary public and official parties, as well as loans agreements, guarantees, warrantees and deeds for sale, purchase and issuance of power of attorneys on behalf of the Company; sale, purchase, discharge and acceptance, receipt, hand over, rental, lease, receipt, payment, opening accounts, credits and deposit at banks; issuance of bank bonds, funds, governmental financing institutions and signing all papers, promissory notes, cheques, commercial papers, documents and all banking transactions.

Article (33): Topics on which the Board retains the authority to decide:

1. DoA, their delegation and any changes thereto.
2. The capital structure of the Company and any changes thereto.
3. The vision, strategy and objectives of the Company and any changes thereto.
4. The general organizational structure of the Company and any changes thereto.
5. The long-term strategies of the senior management and its annual work plans and any amendments thereto.
6. The Company's annual budgets, including capital budgets, expenditures, manpower budgets, and any amendments thereto.
7. The Company's annual report.
8. The Company's initial and annual financial statements. The board of directors has authorized its chairman to sign the Company's initial and annual financial statements on behalf of the board.
9. The Company's accounting policies and standards and any amendments thereto.
10. Plans to expand the Company's activities, including merger and acquisition plans.

11. Plans to stop any of the Company's activities in whole or in part, including the main products, branches and departments.
12. Dividend distribution decisions.
13. The Governance System and any amendments thereto.
14. Risk management policies and any changes thereto.
15. The internal audit policy and any amendments thereto.
16. Anti-Money Laundering Policy and any amendments thereto.
17. Code conduct and ethics and any amendments thereto.
18. The Compliance Policy and any amendments thereto.
19. Investment policies and any amendments thereto.
20. Anti-fraud policies and any amendments thereto.
21. Customer selection policies and conditions for accepting insurance for new customers for each insurance product.
22. The reinsurance policy and any amendments thereto.
23. Electronic insurance operations policy and any amendments thereto.
24. Third Party Assignment Policy and any amendments thereto.
25. The Company's remuneration policy.
26. Incentive and rewards plans.
27. Criteria for selecting investment service providers.
28. Investment contracts and agreements with investment service providers.
29. Methodology for measuring and analyzing the level of investment performance and investment risks.
30. Operations and decisions that exceed the powers of the Board and Managing Director committees.
31. Decisions of lending or borrowing by the Company that exceed the powers of the board committees and the managing director.
32. Decisions and documents to be presented to the shareholders in the general assemblies.
33. Decisions to appoint or dismiss members of the Board of Directors after obtaining the approval of the shareholders' assembly.
34. Decisions to appoint, reappoint or dismiss the external auditors and determine their fees based on the recommendation of the Audit Committee and obtaining the approval of the shareholders' assembly.
35. Decisions to appoint or dismiss members and chairmen of committees emanating from the Board.
36. Decisions to appoint or dismiss the Managing Director.
37. Decisions to appoint or dismiss the Secretary of the Board of Directors.
38. Compensation and rewards for the heads and members of the committees of the Board and the Secretary of the Board of Directors.
39. Work regulations of the committees OF THE Board and any amendments thereto.
40. Decisions related to fundamental issues and lawsuits against the Company.
41. Decisions regarding claims and notifications received from tax and zakat authorities or regulatory and legislative authorities.
42. Decisions regarding any significant or dangerous accidents, pollution cases, or environmental

problems in which the Company is involved.

43. Any amendments to the above list.

Article (34): Appointment of the Secretary of the Board of Directors:

A. The Board of Directors shall appoint a Secretary from among its members or from others, and the Secretary's powers and remuneration shall be determined by a decision of the Board of Directors - unless the company's bylaws include provisions in this regard after obtaining a non-objection from the Insurance Authority.

B. The conditions that must be met by the Secretary of the Board of Directors:

1. He must have a university degree in law, finance, accounting, management, or its equivalent, and he must have relevant practical experience of not less than three years. The Board appoints the Secretary for a period. The Secretary may be one of the members, an employee of the company, or a third party, and his remuneration and responsibilities are determined. The Secretary must:

2. To have sufficient knowledge of the company's activity and business and to be familiar with the rules and regulations, especially with regard to the company's governance. He may not be dismissed except by a decision of the Board of Directors.

Article (35): Board Secretary Responsibilities:

The Secretary of the Board of Directors shall perform his responsibilities based on the direction of the Chairman of the Board, and shall undertake the preparation and arrangement of the meetings of the Board of Directors and ensuring that all legal and regulatory requirements are met for their meeting and documentation. The following are the most important tasks of the Board Secretary:

1) Follow up on the holding of the Board's meetings and shareholders' assemblies according to the approved plan.

2) Drafting the Board agendas and having them approved by the Board chairman.

3) Ensuring the availability of appropriate means of communication for the exchange and recording of information between the Board and its committees and between the executive and non-executive members of the Board of Directors.

4) Coordination with the Chairman of the Board, the heads of the sub-committees and the senior management of the Company to identify and prepare the materials to be submitted to the Board of Directors during the meetings and to ensure that a timetable is prepared at the beginning of each year, to receive reports from the committees and internal and external auditors and present them to the Board, as well as to ensure the integrity of the reporting mechanism and compare it with the internal policies approved by the Board. These reports shall be kept in a special and organized record.

5) Informing the Board members of the dates of the meetings and providing them with the board's agenda, working sheets, documents and information related to it, and any additional documents or information requested by any member of the board of directors related to the topics included in the meeting's agenda, no less than (5) working days before the date of the meeting to enable them to view them, understand their content, and prepare well for the meeting.

- 6) Documenting the meetings of the Board of Directors and preparing minutes for them that include the discussions and deliberations, indicating the place and date of the meeting and the time of its beginning and end, documenting the Board's decisions and voting results, keeping them in a special and organized register, recording names of the members present, and signing these minutes by the chairman of the meeting, and all members and the reservations made by attendees, if any.
- 7) Presenting draft minutes to the members of the Board of Directors to express their views on them before signing them.
- 8) Distribute the minutes of the Board's meetings to the concerned parties within a period not exceeding 15 fifteen days, specifying the person or entity responsible for implementing the decisions taken.
- 9) Verify that the members of the Board of Directors have full and prompt access to a copy of the minutes of the Board meetings, as well as information and documents related to the Company.
- 10) Follow up on pending procedures and activities from previous meetings.
- 11) Keeping records, minutes and documents of the Board of Directors and the shareholders' assemblies.
- 12) Keeping the reports submitted to the Board of Directors and the reports prepared by the Board.
- 13) Verify that the members of the Board of Directors adhere to the procedures approved by the Board.
- 14) Coordination among the members of the Board of Directors.
- 15) Organizing the disclosures record of the members of the Board of Directors and senior management.
- 16) Providing assistance and advice to the members of the Board of Directors.
- 17) Documenting the voting processes that took place during the Board meetings, including opposition and abstentions. Any documents referenced during the meetings should be attached or referred to. A statement shall be prepared including the names of members present and non-attendants, a list of approved committees, and any abstention (if any) for any member and the reasons for it.
- 18) To carry out any task within the scope of the Board's work requested or assigned by the Chairman.
- 19) Notifying the Board members of the dates of the Board's meetings within sufficient time prior to the date specified for the meeting;

Part (7): Training, Assessment:

Article (36): Board of Directors Evaluation:

The nomination and remuneration Committee or an external specialized firm, shall ensure annual performance review been conducted using key performance indicators linked to the extent to which the strategic objectives of the Company have been achieved, the efficiency of control systems. The Company will appoint an external firm to evaluate the Board performance every (3) years at least where possible.

Article (37): Board Members Training:

The Company shall pay adequate attention to the training and preparation of the Board members, committee members, and the Executive Management, and shall develop the necessary programmers required for the same, taking the following into account:

1) preparing programmers for the recently-appointed Board members, committee members, and Executive Management to familiarize them with the progress of the Company's business and activities, particularly the following:

A. the strategy and objectives of the Company;

B. the financial and operational aspects of the Company's activities; c. the obligations of the Board members and their duties, responsibilities and rights; d. the duties and competencies of the committees of the Board.

2) developing the necessary mechanisms for Board members, committee members, and the Executive Management to continuously enroll in training programmers and courses in order to develop their skills and knowledge in the fields related to the activities of the Company.

Part (8): Conflict of Interests Policy:

Aljazira Takaful believes in its values and principles represented in integrity, team work, care, initiative and achievement. The Conflict-of-Interest Policy comes to enhance and protect these values, and to avoid the impact of personal, family or professional interests of anyone who works for the Company on his performance of duties for the Company or uses such interests to gain any benefits against the interests of the Company. Therefore, the Company issued a conflict-of-interest policy to manage the associated risks as stipulated in the relevant regulations and instructions.

Part (9): Disclosure & Transparency Policy:

The purpose of this disclosure and transparency policy is to ensure that Al Jazira guarantees that timely and accurate disclosure is made on all material matters, including the financial and non-financial related to the Company's situation, share ownership performance, governance, reporting of rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure. Therefore, the Company issued a separate policy related to Disclosure and Transparency

to manage the associated risks according to the laws, regulations and instructions issued by the Saudi Central Bank, Capital Market Authority, Ministry of Commerce & Investment and any other relevant regulations.

Part (10): AJT Whistle Blowing Policy:

A separate whistleblowing policy has been formulated in accordance with all relevant regulations and is reviewed at least annually.

Part (11): AJT Code of Conduct:

A. Al-Jazira Takaful Tawuni Company (Al-Jazira Takaful) is making its permanent efforts to maintain the highest ethical standards in all dealings by encouraging the highest standards of honesty and personal integrity at all levels and a commitment to honesty and fair dealing in all its activities. The Board of Directors has established rules of professional conduct to promote sound practices and morals to protect interests.

B. It also encourages the exercise of duties of care and loyalty towards the company, and everything that would preserve the company's interests, develop it and maximize its value, and not put personal interests ahead of its interests in all circumstances.

C. All the actions and decisions that the concerned person takes whilst working for Al Jazira shall conform with the fundamental spirit of this code and the instruction Manuals relevant to the area of the Company's operations. As such:

D. The Board shall establish a policy for professional conduct and ethical values at the Company, ensuring that each member of the Board or the Executive Management and employees perform his/her duties of loyalty and care to the Company, and undertake the measures that may protect the Company's interests and contribute to its development and increase its value, and shall, at all times, priorities the Company's interests over his/her own interests.

E. A Board member shall represent all shareholders of the Company and take all actions to achieve the best interests of the Company and its shareholders, while protecting the rights of the other Stakeholders rather than only the interests of the group that elected him.

F. Preventing the Board members or the Executive Management from abusing their positions with the aim of achieving benefits for himself/herself or a third party.

G. Establishing accurate, well-formed, and clear rules regulating the authority to access the Company's internal information and timing to access it, in a way that prevents the Board members, the Executive Management and others from making personal use or disclosing the same to any person, except within the prescribed limits or as permitted by law.

H. Entrench among the Board members and Senior Executives the principle of compliance with all relevant laws, regulations and instructions;

Article (38): Scope of application:

The Code of Conduct applies on the following:

- 1) Board of Directors members.
- 2) Board Committee's members.

3) All members of executive management and senior management personnel who can materially influence the Company and its financial performance.

They are referred to as persons concerned.

Rule (1) – Ethical Behavior and Business Principles and Values:

The concerned person shall observe and comply fully with the following Principles & Values in all their activities and their personal affairs during the course of their work:

- The highest personal standards of integrity at all levels and at all times;
- Commitment to truth and fair dealing;
- hands-on management at all levels;
- Openly esteemed commitment to quality and competence;
- Putting the Company's interests ahead of the individual's;
- Commitment to the spirit and letter of all laws and regulations.

The Company's reputation is founded on adherence to the above. All actions taken by the Company or the concerned persons on behalf of the Company shall conform to these principles and values.

Rule (2) – Conflict of Interests:

The concerned person shall avoid acts that would lead to conflict of interest through all means such as provision of his/her personal interest to the interest of the Company. Or by expressing a non-independent opinion that is required in the interest of directly or indirectly which affects the decision-making and performance of the Company. The concerned person shall be professional and transparent in a manner that enables him/her to perform the functions and work of the Company independently and without any potential conflict between the interests of the Company and the personal interests of the individual.

Rule (3) – Conduct when obtaining Business:

Whilst working for Al-Jazira the concerned person shall not offer any bribe or give similar consideration to any person or Company in order to obtain business for the Company. Any commissions paid or other payments made, or favorable terms conceded, or other advantages given by the concerned person in the conduct of the Company's business shall accord with the Company's policies on such matters to those licensed Companies and Service Providers.

Whilst working for Al Jazira, the concerned person shall not offer any bribe or give similar consideration to any person or Company in order to obtain business for the Company. Any commissions paid or other payments made, or favorable terms conceded, or other advantages given by the concerned person in the conduct of the Company's business shall accord with the Company's policies on such matters to those licensed Companies and Service Providers.

Rule (4) – General Personal Conduct:

A. Discrimination

The concerned person whilst working for Al Jazira shall uphold the Company's commitment to observe

fair and consistent employment practices at all times.

B. Harassment

The concerned person shall not to display offensive, unwelcome, intimidating or humiliating behavior, intentional or otherwise, that is demeaning of others

C. Integrity and Honesty

Al Jazira staff shall be keen to show every decent work in carrying out their professional work, which requires the performance of tasks and duties with integrity impartiality, and compliance of the laws and legislation in force in the Kingdom.

D. Fair Dealing

Each concerned person shall conduct business in a fair manner towards every individual or services provided by Al Jazira through means of taking manipulation, concealment, abuse of privileged information, intentional misrepresentation of facts or any other unfair practice is not tolerated by the Company.

Rule (5) - Personal Benefits:

1. The concerned person shall actively discourage customers or any other party from offering personal benefits of all kinds, including every type of gift, favor, service, loan, fee or anything of any monetary value.
2. The concerned person (nor any member of his/her immediate family) shall not solicit, accept or retain personal benefits from any customer or any individual or organization doing or seeking to do business with the Company.
3. If the concerned person (or any member of his/her immediate family) receives from or is offered by any customer or any individual or organization doing or seeking to do business with the Company for personal benefits, the concerned person shall seek the approval of the HR manager throughout his/her Head of Department according to the Human Capital Policy.
4. Under no circumstances are the concerned person permitted to accept a personal gift consisting of cash or a cash cheque or cash voucher
5. Any breach of the above requirements will be regarded as a disciplinary offence.

Rule (6) - Declaration of Secrecy & Data Protection:

- Customers' business and personal affairs shall be treated with strict confidentiality. They shall not be disclosed to any other customer, without the customer's consent.
- Information relating to the business and systems of the Company is confidential and shall be treated accordingly.
- the concerned person shall not during the course of and after the end of his/her work with the Company, except in the proper course of his/her duties or with the prior approval in writing from the HR Manager, divulge or make use of any secrets, confidential information or of any correspondence, accounts, connections or dealings of the Company or its customers or any knowledge gained in this relation during his/her stay in the organization. Additionally, the concerned person shall not in any way use information so obtained for his/her own or others financial gain.

- The concerned person shall not release information concerning a customer to a third party.
- The concerned person is prohibited from accessing customer and concerned person information unless there is a legitimate business purpose to do so.

Rule (7) - Working for external parties:

The concerned person shall declare/inform the Company of any directorships, employment or part time commercial duties (paid or unpaid) or take or have any interest in any business or concern (including partnerships, sponsorships or equity stakes) outside the Company or one of its affiliates or any other Group member.

Rule (8) - Company's Assets:

- The concerned person shall protect Company's properties and assets against any form of misuse. Misusing the Company's assets may include; theft, carelessness and waste.
- The concerned person shall not be using Company's assets outside the Company or in anything irrelevant with the business.

The concerned person's use of time is also a Company asset; therefore, he shall not engage in personal activities during office hours

Rule (9) - Compliance with Al Jazira Takfaul Policies and Local Laws:

- At all times during the course of your work with the Company the concerned person shall never knowingly contravene or deliberately ignore the Company's internal regulations and the spirit or letter of the prevailing laws and the regulations of the country in which you work.
- The concerned person is required to familiarize himself with the policies, rules, regulations and authority limits applicable to his/her department and follow the same.
- In addition, the concerned person is required to disclose employment (and employment referrals) of relatives.
- The concerned person shall consult his/her line manager in matters that are not covered in the rules/ regulations/ policies / procedures.



الجزيرة تكافل

ALJAZIRA TAKAFUL

